

The prioritised strategic initiatives currently initiatives are explained below.

### **Red Location Cultural Precinct**

Located in the historic Red Location area of Ibhayi, the precinct has been developed and comprises of an Apartheid Museum (2004), Art Gallery, Electronic Library (2011) and Backpackers' Lodge.

The business plan for the performing arts complex has been completed and the National Department of Arts and Culture has made R500 million available for this project. The last phase of the project will consist of a school of music.

The success of the Red Location Initiative is dependent on the urban renewal of the greater Ibhayi Area as this would enable broader urban renewal beyond the localised impact of the Red Location and Njoli Square Precincts upgrades. This is identified as one of the Catalytic Projects of the NMBM.

### **Njoli Square Development**

This project entails the development of a major community taxi/commercial centre where the Njoli Square presently exists. The project is nearing implementation stage.

The success of the Njoli Square Upgrading Initiative is closely linked to the upgrading of the Greater Ibhayi area. Njoli is linked to Ibhayi and Bethelsdorp Hubs in the Urban Network Strategy.

Njoli Square upgrading is funded by the NDPG and is located in the Urban Network Strategy as a Catalytic Project.

### **Mermaid's Precinct**

The project known as the Mermaid's Precinct is located in the heart of the CBD between Russell Road and the Donkin Row houses. It is a proposed mixed use area comprised of social housing, residential development and urban recreational node and complimentary mixed uses.

The area is currently derelict and vandalized with undeveloped municipal and privately owned erven. A master plan has been completed.

It is envisaged that the Municipality in conjunction with the MBDA, the private sector and a social housing institution will develop the area. Presently, funding is a constraint in taking the project forward although there is considerable private sector investment in various developments in the precinct.

The development of the Mermaids Precinct is identified as one of the Catalytic Projects aligned to the CBD and Baakens Valley precinct development. The project has been through a preliminary viability assessment by the DBSA Project Preparation Facility. This has concluded that the project is viable.

#### **2.2.2.5 Waterfront Development-Port / Baakens Precinct:**

There has been recent focus on plans to develop the Waterfront at King's Beach area. After initially agreeing to move the tank farm in 2016, Transnet have now indicated that the oil tanks can only be demolished in 2017/18 due to the facility at Coega needing to be completed. Transnet have committed to move the manganese ore facility to the Coega IDZ in 2019. In the port planning for the port post-relocation, Transnet has agreed that a portion of land will be set aside for a marina/commercial development and this portion will not fall under the strict port security controls.

A Steering Committee comprising of Transnet, the MBDA, NMBM and the ECDC is currently working to ensure there is a Master Plan to determine the extent and depth of retail, residential, office, leisure/entertainment/tourism development as well as a Master Plan that can be implemented over time. The Port / Baakens precinct between the port and the Bridge Street Brewery as part of the broader Waterfront Development plan is envisaged to become a new tourism/ leisure/ entertainment precinct and it will be a further catalyst for the re-development of the area over time for non-industrial purposes.

The development of the Baakens Valley Precinct is identified as one of the Catalytic Projects and has been through a preliminary viability assessment by the DBSA Project Preparation Facility which has concluded that the project is viable.

In addition, as part of the City Support Programme, an Urban Land Institute Panel visit and assessment will take place in November 2015 to further provide key information with regard to the implementation of the project.

#### **2.2.2.6   Redevelopment of Telkom Park as part of the Happy Valley Precinct**

After building 2010 Soccer Stadium in North End, a decision to demolish Telkom Park for other developments was taken by the NMBM Council. This has presented an opportunity for the possible development of an International Convention Centre.

A Master Plan to determine the extent and depth of retail, residential, office and tourism, development as well as a Master Plan that will be rolled out as part of the project development is required. The Master Plan will include research in respect of uses. The market research will then determine the development layout.

The Happy Valley Precinct is identified as one of the Catalytic Projects of the NMBM.

As part of the City Support Programme, Capacity Support Implementation Plan, the NMBM is receiving technical assistance to evaluate the Economic Development Strategy. This will consider the success of current initiatives and determine a way forward for the Municipality in respect economic development and the issues identified above.

## **2.2 LOCAL AREA PLANNING**

### **2.2.1 LOCAL AREA PLANNING FOR THE INTEGRATION ZONES**

The section above describes the urban network strategy, the identification and prioritisation of integration zones.

Detailed Integration Zone planning, precinct planning and the identification of a pipeline of projects for each Integration Zone will be a priority for the 2015/16 and 2016/17 years.

#### **2.2.1.1 Catalytic Projects**

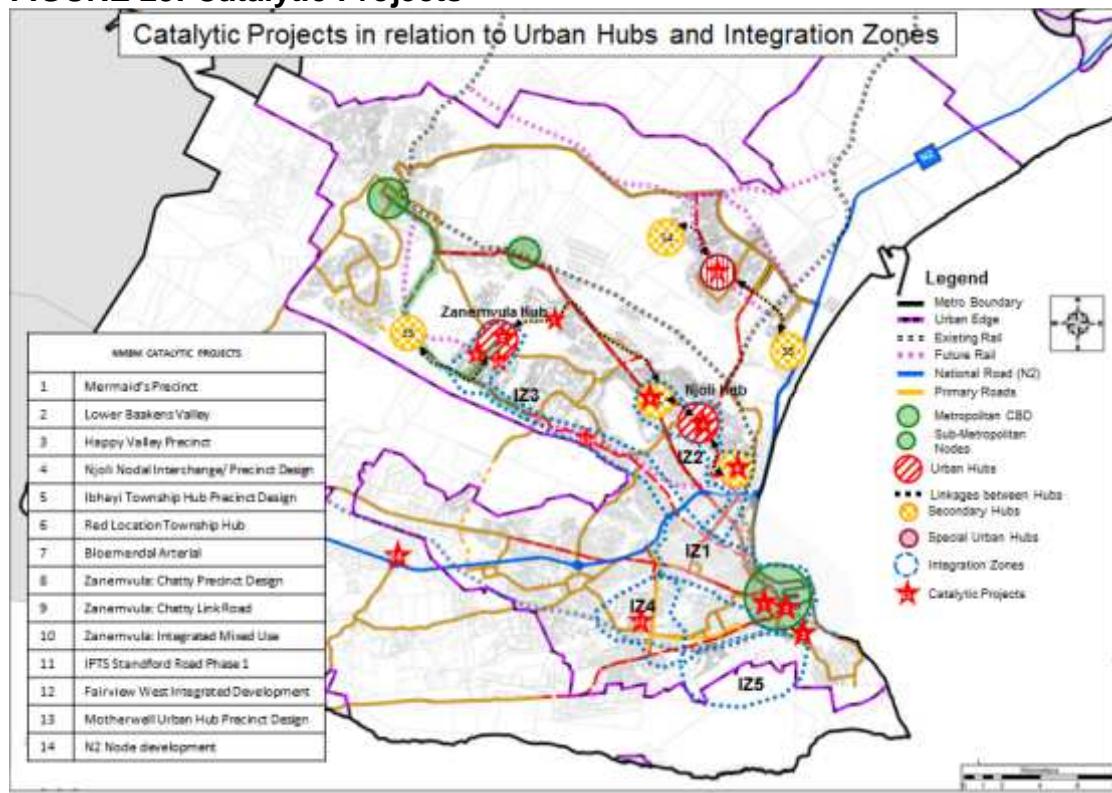
Notwithstanding this, the Catalytic Projects identified in this BEPP reflect interventions that include developments that are:

- within defined Integration Zones
- private and public sector initiatives in their implementation
- inner city, mixed use, social, commercial and residential development initiatives
- informal settlements and marginalised area upgrading and .
- linkage projects such as critical road infrastructure to ensure the proper linkages of the Integration Zones to the rest of the city.

Attached as Annexure "E" is the Integration Zone Matrix which is populated with the integration zones, prioritisation, responsibilities, and implementation information as far as is presently possible. This table is to be read in conjunction with the Catalytic Urban Development Project Pipeline Template which is attached as Annexure "D". These templates will be further populated during the course of the finalisation of the BEPP.

The following map shows the location of the selected catalytic projects in relation to the Integration Zones of the Urban Network Strategy framework. These Catalytic Projects remain the same as those identified in the 2015/16 BEPP. There has been considerable progress made in refining the Projects in populating Annexure "D". This process of refinement is an ongoing process.

**FIGURE 25: Catalytic Projects**



These catalytic projects will be vigorously pursued during the 2015/16 financial year and beyond. It is the intention to move the catalytic projects as quickly as possible from planning to implementation phase.

Annexure "D", the Catalytic Urban Development Project Pipeline attempts to map out the requirements for implementation. It is in the later stages project development that timing and budget aspects of each catalytic project will become more refined. Annexure D will be further completed in the course of finalisation of this BEPP.

The following is table is a synthesis of the Catalytic projects as defined in the 2015/16 BEPP.

**TABLE 4: Catalytic Projects**

IZ	PROJECT NAME	TYPE	LOCATION	DESCRIPTION / SCALE / IMPACT	PROGRESS STAGE
1	Mermaid's Precinct	Integrated inner-city revitalisation	Integration Zone 3: CBD / Primary Economic Node	<p>Proposed mixed use integration project in the Mermaid's Precinct Area of the CBD/ Inner City</p> <p>Node comprises residential (social housing and rental apartments), recreational (urban jungle) and open space.</p> <p>The Mermaids precinct is located on 39 hectares of land in the heart of the CBD.</p> <p>Redevelopment of this land can impact on the rest of the CBD and the broader area by providing mixed social economic opportunities, recreation facilities, tourism facilities that will have a city wide impact.</p> <p>The project is an MBDA project.</p> <p>The project will involve increasing access to this area which will improve CBD access.</p> <p>Impact of this project is its capacity to integrate socio economic groups from a recreation, economic and residential perspective.</p>	<ul style="list-style-type: none"> <li>▪ Development Master Plan prepared;</li> <li>▪ Approved as catalytic project;</li> <li>▪ Detail proposals to be prepared;</li> <li>▪ DBSA PPF programme identified project as viable</li> </ul>

IZ	PROJECT NAME	TYPE	LOCATION	DESCRIPTION / SCALE / IMPACT	PROGRESS STAGE
1	Lower Baakens Valley Precinct	Integrated inner-city revitalisation	Integration Zone 3: CBD / Primary Economic Node	<p>Integrated mixed use and residential infill development in the Lower Baakens Precinct Area.</p> <p>Approximately 1000 hectares.</p> <ul style="list-style-type: none"> <li>• mixed use area.</li> <li>• Capitalise on existing infrastructure</li> <li>• Close links to the port</li> <li>• Economic opportunity</li> <li>• Strong environmental aspects</li> </ul>	<ul style="list-style-type: none"> <li>▪ Precinct planning to be finalised</li> <li>▪ Conceptual framework is finalised</li> <li>▪ DBSA PPF identified as viable</li> <li>▪ Environmental issues outstanding</li> <li>▪ Infrastructure funding to be determined</li> <li>▪ Flood line studies necessary</li> </ul>
1	Happy Valley Precinct <i>(continued)</i>	Integrated Mix-use inner city development Also part of Mega-Project into the NMBM HSSF	IZ 3-CBD / Primary Economic Node / Inner City Development Area	<p>Integrated mixed use and residential infill development in the Happy Valley Precinct Area</p> <ul style="list-style-type: none"> <li>• Public private partnership area</li> <li>• Close to mixed use housing opportunities</li> <li>• Strong tourism potential</li> <li>• Stadium site has potential for large activity such as ICC</li> </ul>	<ul style="list-style-type: none"> <li>▪ Local Spatial framework planning complete.</li> <li>▪ Precinct plan preparation.</li> <li>▪ Feasibility studies still needed for remainder.</li> </ul>

IZ	PROJECT NAME	TYPE	LOCATION	DESCRIPTION / SCALE / IMPACT	PROGRESS STAGE
2	Ibhayi / Njoli Urban Hub	Precinct Planning / Urban Hub Design	IZ 1- Ibhayi / Njoli Urban Hub	<p>Detail Precinct Design in support of Urban Network Strategy</p> <ul style="list-style-type: none"> <li>• Poorest area of the city</li> <li>• Massive potential for integration of two previously separated communities</li> <li>• Hub has a 2 km radius</li> <li>• Impact area: 7,5 km radius</li> <li>• Linking economic activity that has grown organically with transportation hub and ties together with university, hospital, etc.</li> <li>• Links Uitenhage, Motherwell and CBD to Ibhayi</li> <li>• Planning activity to support modal interchange and planning interchange below</li> <li>• Triggered by the private development of Kenako Centre</li> </ul>	<ul style="list-style-type: none"> <li>▪ Procurement of service provider being finalised</li> </ul>
	Modal Interchange and Urban Hub Development	Ibhayi / Njoli Urban Hub: Njoli Square Modal Transport Hub		<p>Development of Modal Transport interchange and commercial centre</p> <ul style="list-style-type: none"> <li>• Urban renewal project</li> <li>• Major transport hub</li> <li>• Present economic opportunities</li> <li>• Been implemented – R16 million</li> </ul>	<ul style="list-style-type: none"> <li>▪ Re-planning of the development concept approved.</li> </ul>

IZ	PROJECT NAME	TYPE	LOCATION	DESCRIPTION / SCALE / IMPACT	PROGRESS STAGE
	Ibhayi / Njoli Urban Hub (continued)	Tourism & educational development catalyst.	Township hub: Red Location Precinct Secondary Hub (S2)	<p>Red Location Cultural Precinct: holds potential for infill residential development</p> <ul style="list-style-type: none"> <li>• Biggest cultural precinct in Africa</li> <li>• Ability to create jobs in poorest part of city</li> </ul> <p>When complete, the Red Location Cultural Precinct will comprise five public buildings</p> <p>Red Location Museum - winner of multiple international awards for architecture and design.</p> <p>It is anticipated that during construction of the performing arts complex 634 jobs will be created and that 701 will be employed in Red Location Precinct when fully operational.</p>	<ul style="list-style-type: none"> <li>▪ The Red Location Museum (complete – opened in 2006)</li> <li>▪ The Red Location Art Gallery (complete – opening pending)</li> <li>▪ The Red Location Digital Library and Library Archive (complete – opening pending)</li> <li>▪ The Red Location Performing Arts Complex (planning underway) and</li> <li>▪ The Red Location School of Performing Arts (planning beginning)</li> </ul>
2	Bloemendal Arterial	Catalytic link road	Corridor (Transit)	<p>Critical link connecting the Njoli and Chatty Jachtvlakte Hubs. Part of longer-term Comprehensive Integrated Transport Plan</p> <ul style="list-style-type: none"> <li>• Total 9 km (6.5 km + 2.5 km)</li> <li>• It strengthens the urban network strategy by linking it spatially</li> <li>• It will improve connectivity between areas which will increase economic activity</li> <li>• Essential transport collector to fast track development in the area</li> <li>• Impact will directly assist a predominantly poor area</li> <li>• Catalyst towards commercial development in the area and other social facilities which has been constrained due to no access</li> <li>• In the heart of Zanemvula areas which is a presidential project area accommodating in the order of 45 000 residential opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Phase 1-detail design and preparation of tender documents for the construction of the road – tenders called for appointment of consultants to oversee this function. Part of arterial route previously designed and bill of quantities prepared.</li> <li>▪ Phase 2 will involve implementation – not funded</li> </ul>

IZ	PROJECT NAME	TYPE	LOCATION	DESCRIPTION / SCALE / IMPACT	PROGRESS STAGE
3	Zanemvula	Precinct Design	Township hub: Chatty Jachtvlakte Hub (Hub 2)	<p>Will also serve the Bloemendal and KwaNobuhle areas</p> <ul style="list-style-type: none"> <li>• Areas exists in the heart of Zanemvula project (45 000 residential opportunities)</li> <li>• Opportunities do not exist for connectivity to rest of the city and its role for transport hub</li> <li>• Design is needed to fulfil this broader role</li> <li>• In heart of integration zone identified in urban network strategy</li> <li>• Design is a prerequisite for urban network strategy</li> </ul>	
		Chatty Road Link	Township hub: Chatty Jachtvlakte Hub (Hub 2)	<p>Critical for strategic land release as well as community-social infrastructure delivery (schools, clinics, crèches). Identified as a NMBM HSSF Mega Project.</p> <ul style="list-style-type: none"> <li>• 1.98 km link road between Standford Road and Bloemendal Arterial Routes to unlock development and delivery of social and economic facilities and amenities.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Phase 1 of the project involves the detail design and preparation of tender documents for the construction of the road</li> <li>▪ Phase 2 will involve implementation – not yet funded</li> </ul>

IZ	PROJECT NAME	TYPE	LOCATION	DESCRIPTION / SCALE / IMPACT	PROGRESS STAGE
	Zanemvula (continued)	Integrated Mixed Use Development	Township hub: Chatty Jachtvlakte Hub (Hub 2)	<p>Integrated Mixed Use Development (Mega Project)</p> <ul style="list-style-type: none"> <li>• Land alongside the planned Chatty link road mentioned above</li> <li>• mixed use land to prevent area from being fully occupied by RDP housing without attendant socio economic facilities</li> <li>• alternative housing types, higher densities and other activities to be located along side public transport route</li> <li>• potential to bring employment generating activities into the heart of the Zanemvula project area where unemployment is high</li> <li>• catalyst for other socio economic activities and higher density residential opportunities</li> <li>• Approximately 172 ha of land could be released with completion of Chatty link road with potential yield of approximately 5000 Residential Units. Partially included in Phase 1 of Chatty Jachtvlakte Precinct Plan)</li> <li>• Further development of the Chatty Jachtvlakte node will yield an additional 28000 Residential Units over next 8 to 12 years</li> </ul>	

IZ	PROJECT NAME	TYPE	LOCATION	DESCRIPTION / SCALE / IMPACT	PROGRESS STAGE
3	Cleary Park Corridor TOD development	Public Transport	Corridor (Transit)	<p>Cleary Park route</p> <ul style="list-style-type: none"> <li>• Catalytic activities around the modal interchange</li> <li>• Identify opportunities for public transport activities and densification along Cleary park route</li> <li>• Route very constrained</li> <li>• Needs intervention as a section runs alongside the commuter rail</li> </ul> <p>Cleary Park route lengths:</p> <p>Trunk Route Cleary to CBD: 11.5 km, 16 bus stations (on the Harrower Road route) – the route via Berry's Corner is not to be used for the initial phase)</p> <p>Trunk Route Cleary to Greenacres: 11.6 km</p> <p>Main Routes: 16.1 km total</p> <p>Area Routes: 156.2 km total</p>	

IZ	PROJECT NAME	TYPE	LOCATION	DESCRIPTION / SCALE / IMPACT	PROGRESS STAGE
4	Fairview West Integrated Development	Integrated Mixed Use and Residential Development (Spatial Transformation)	Integration Zone 4: Corridor (Infill): (West of William Moffat Corridor and North – North-East of Circular Drive Corridor)	<ul style="list-style-type: none"> <li>• Integrated Mixed Use and Residential Development in the Fairview / Willowdene area comprising of mixed retail and mixed residential development.</li> <li>• Identified as Mega-Project in terms of the NMBM Human Settlements Framework.</li> <li>• Current projects will yield approx. 2800 units –</li> <li>• Total no of Residential Units estimated at 2488 with further potential of approximately 2000 units on state owned land – total 4488 (Estimated) Potential socio economic integration area</li> <li>• Links south, west and north sides of the city</li> <li>• Alongside retail strip and access road</li> <li>• Close to job opportunities</li> <li>• New retail development (shopping centre) currently under construction</li> <li>• Construction of 300-bed private hospital about to commence</li> </ul>	<p>Fairview Links Social Rental Project COMPLETE (365 Res Units)</p> <p>Willowdene (400 Res Units)- Infrastructure and service installation nearly complete. Construction of residential units about to commence. (Private sector development)</p> <p>Further 48 ha awarded by PDHoS. (Est 2023 units) Detail development planning commenced (private sector development).</p>

IZ	PROJECT NAME	TYPE	LOCATION	DESCRIPTION / SCALE / IMPACT	PROGRESS STAGE
				<p>Catalytic infrastructure – Development of area to full potential will require infrastructure investment:</p> <p>Bulk Sewer Upgrade (Lower Baakens and Driftsands Sewer Collectors); also bulk water supply</p> <ul style="list-style-type: none"> <li>• 48 hectares cannot proceed without bulk sewer upgrade</li> <li>• Other private properties are also affected</li> <li>• Catalytic improvement in road network (particularly along main routes)</li> </ul>	Preparation of infrastructure scoping studies and traffic impact assessments.

IZ	PROJECT NAME	TYPE	LOCATION	DESCRIPTION / SCALE / IMPACT	PROGRESS STAGE
4	Motherwell Urban Hub	Precinct Planning / Urban Hub Design	Township hub	<p>Detail Precinct Design in support of Urban Network Strategy as well as the Khulani Corridor Development</p> <ul style="list-style-type: none"> <li>• Not an integration zone but an urban hub</li> <li>• Growing population – 200 000</li> <li>• Planned Commuter Rail Corridor will be major catalyst for development in this urban hub</li> <li>• Area fills critical role close to Coega IDZ</li> <li>• Presidential urban renewal project for close to 10 years</li> <li>• High unemployment</li> <li>• Low investment</li> </ul>	Not initiated

IZ	PROJECT NAME	TYPE	LOCATION	DESCRIPTION / SCALE / IMPACT	PROGRESS STAGE
	N2 Nodal area	Special nodal hub	Western area next to N2	<ul style="list-style-type: none"> <li>Part of Western Areas development node centred around significant retail development comprising of:</li> <li>Super Regional Shopping Centre (90 000 m<sup>2</sup> GLA);</li> <li>450 000 m<sup>2</sup> GLA of mixed retail / office space</li> <li>Motor show rooms , Hospital, Hotel and ICC, Regional offices of multi- national companies, Health life style centre</li> <li>Surrounded by potential residential high density range of residential opportunities ranging from high density high end to low income high density use which will fulfil socio economic imperatives</li> <li>Socio economic integration area</li> <li>Approx 6835 permanent jobs in Baywest development only with potential for further 3000 plus opportunities at full capacity</li> <li>True area for private public partnerships</li> <li>Commuter Rail planned linking Apple Express railway line to Mall</li> <li>Total estimated residential yield in the order of 21300 to 23000 Residential Unit's</li> </ul>	<ul style="list-style-type: none"> <li>Mall (R2bn) almost complete – to be opened on 22 April 2015</li> <li>Building plans for hospital, Sanral regional offices, hotel, motor show rooms submitted to commence construction during second half of 2015</li> <li>Utopia private development aimed at medium to medium high income categories about to commence</li> <li>N2 North integrated mixed use and residential development planning well progressed and under environmental assessment (Public private investment)</li> <li>Extensions to Kuyga / Greenbushes industrial areas being planned</li> <li>Parsonsvley integrated residential and mixed use developments aimed at low, middle income groups under development</li> </ul>

IZ	PROJECT NAME	TYPE	LOCATION	DESCRIPTION / SCALE / IMPACT	PROGRESS STAGE
	N2 Nodal area <i>(continued)</i>		Western arterial	<ul style="list-style-type: none"> <li>Enhancing strategic connectivity with other nodal areas, e.g. Zanemvula and Chatty/ Jachtvlakte</li> <li>Linking node from the mall to (Chatty) Zanemvula and Uitenhage and surrounds – unlocking full economic potential of the development node</li> <li>Public Private Sector co-funding</li> </ul>	<ul style="list-style-type: none"> <li>Planning of Western arterial route currently under way and in environmental process</li> <li>Budget estimate for Phase 1a comprising of interchange and link road between N2 and Cape Road</li> <li>Phase 1b linking Walker Drive to N2 intersection to be undertaken by developer (anticipated to happen concurrently with Phase 1a)</li> <li>Only route alignment being done for Phase 2 comprising link road between Cape Road and Standford Road, linking with Bloemendal Arterial in Zanemvula (Chatty)</li> </ul>

## **2.2.2 LOCAL AREA PLANNING FOR INFORMAL SETTLEMENTS AND MARGINALISED AREAS**

With regard to informal Settlements and marginalised areas, and as detailed above in this report, the Municipality has a dedicated programme for the elimination of informal settlements, as contained in the Informal Settlements Upgrading Plan (NMBM: Human Settlement Directorate, 2008). The Plan was developed in 2008 and included 81 informal settlements. 51 informal settlements remain and are contained in a matrix of *in situ* upgrading/destination areas, programmed over time, prioritized and implemented according to the availability of funding. Layouts for these developments are prepared in advance and in accordance with the Local Spatial Development Frameworks and the Sustainable Community Planning Methodology outlined in the Spatial Development Strategy section of this report.

## **2.2.3 LOCAL AREA PLANNING FOR GROWTH NODES**

Planning for the growth nodes is guided by the Local Spatial Development Frameworks of those areas. Within those areas precinct planning and more detailed planning takes place within the LSDF context.

Specific precinct planning is currently being undertaken for the Betheldorp, Ibhayi and Motherwell precincts.

## **2.3 PROJECT PREPARATION**

### **2.3.1 PROJECT PREPARATION FOR COMPLEX AND CATALYTIC PROJECTS**

The NMBM built environment trends (Annexure A) show a sluggish economy with little private sector investment. Within this context , the following can be seen to be major impediments for the full realization of the NMBM complex and catalytic projects:

- Moving the projects from planning stage to implementation stage in terms of critical processes.
- The time critical processes such as EIA's, Infrastructure assessments and other expert reports take to complete before costing and viability can be finalised.
- The achievement of the total funding needed for holistic development including civic amenities and facilities such as parks and recreational areas, street lighting, tarred roads, schools and clinics.
- The timing of the provision of services and amenities to be provided by other spheres of government to align with NMBM's development objectives.
- The general funding for associated bulk infrastructure including public transportation.
- The tendency for dependent communities to resist higher density development from the subsidy schemes.
- The lack of interest of private sector investment shown thus far in municipal project areas.
- The difficulties in achieving socio-economic integration in such areas and provision and take-up of a range of housing opportunities.

The Catalytic Projects are being evaluated and assisted through the City Support Programme using expert assistance as well as the Project Preparation Facility (PPF) offered in terms of the CSP Programme by the Development Bank of Southern Africa (DBSA).

The PPF is a programme of assistance from the DBSA, for qualifying local authorities to prepare catalytic projects up to implementation stage. This includes funding or resources for necessary expert studies and viability assessments.

### **2.3.2 FISCAL IMPACT ASSESSMENTS FOR CAPTIAL PROJECTS – NATIONAL TREASURY**

#### **Fiscal impact assessment for selected projects**

A fiscal impact assessment tool has been demonstrated within Nelson Mandela Bay Municipality in September 2015 by a National Treasury consultant. As a result of the demonstration, projects being assessed include:

- Coega Ridge, a project which from a location perspective and availability of services is prematurely being mooted.
- Chatty Jachtvlakte development, a project which is well located in an integration zone for which bulk services are being rolled out through the USDG.

It is anticipated that the final results of the projects piloted through the tool will be available in early 2016, thereafter, the tool will be institutionalised to measure the impact of proposed developments in order to assist the Council in decision-making.

It is intended that all relevant catalytic projects will be assessed through the tool.

## **2.4 INSTITUTIONAL ARRANGEMENTS AND OPERATING BUDGET**

### **2.4.1 LAND IDENTIFICATION AND RELEASE FOR INFORMAL SETTLEMENT UPGRADING.**

The entire NMBM housing programme is accommodated on municipally owned land. The release of the land is determined through the housing programme project matrix, as described elsewhere in this report.

Social housing initiatives and the acquisition of private land in existing development areas that are well served by facilities and amenities are areas in which intervention is required. In these instances, there is a need to acquire private land.

Various ongoing efforts are made to densify the city using existing zoned land owned by government that is designated for uses such as schools and open spaces. Uses can change over time and social housing and other forms of residential use can be accommodated on underutilized sites.

The Municipality has always prepared a number of sites in advance of the allocation of HSDG funds for development. Over the last two years, 4 852 serviced sites have been made available.

These sites will be developed either using HSDG for a full top structure or using USDG funding for the creation of a bathroom with flush toilet and slab in terms of the bucket eradication programme.

**TABLE 5: Serviced sites available for development**

Item	Project Name	No. of Sites	Type of Development	Project Status	Expected Date of Readiness
1	Motherwell NU 12	350	Greenfields	Serviced	Ready
2	Motherwell NU 30	450	Greenfields	Serviced	Ready
3	Khayamnandi Ext. Phase 1A&B	471	Greenfields	Serviced	Ready
4	Khayamnandi Ext. Phase 2	1013	Greenfields	Serviced	Ready
5	Khayamnandi Ext. Phase 3	208	Greenfields	Serviced	Ready
6	Khayamnandi Ext. Phase 4A	358	Greenfields	Serviced	Ready
7	Khayamnandi Ext. Phase 4B	372	Greenfields	Serviced	Ready
8	KwaNobuhle Area 11 Ph 1	350	Greenfields	Serviced	Ready
9	KwaNontshinga	105	In-situ	Serviced	Ready
10	Joe Slovo Uitenhage	300	In-situ	Serviced	Ready
11	Sisulu Village	18	In-situ	Serviced	Ready
12	Kwanobuhle Area 7 Ph 4	244	In-situ	Serviced	Ready
13	Kwanobuhle Area 8 Ph 4	266	In-situ	Serviced	Ready
14	Doorenhoek	40	In-situ	Serviced	Ready
15	Red Location	172	In-situ	Serviced	Ready
16	Motherwell High Density	109	In-situ	Serviced	Ready
17	Walmer Q	194	In-situ	Serviced	Ready
		<b>Total</b>	<b>5020</b>		

#### **2.4.1.1 Partnerships**

No formal public-private partnerships in terms of legislation are in place. It is the intention of the Municipality to explore these options in the development of the N2 North Node and in future hubs.

Currently, a partnership exists in respect of the Bay West Development which forms part of the N2 Node Catalytic Project. This is in the form of a municipal

services agreement. This agreement commits the developers and the Municipality to counter-funding for the provision of bulk services to the area.

The Mandela Bay Development Agency (MBDA) is a development agency and implementing partner of the Municipality. Initially, MBDA projects were confined to the CBD area of the Municipality known as its mandate area, however, its mandate has expanded to include other areas such as Helenvale, Motherwell and portions of Ibhayi.

The MBDA mandate area covers the Mermaids Precinct, Baakens Valley Precinct and Happy valley Precinct catalytic projects. Seamless co-operation between the MBDA and NMBM is vital to the successful implementation of these projects.

MBDA as well as other area based management initiatives are discussed under the Urban Management section of this report.

### 3. INTERGOVERNMENTAL PROJECT PIPELINE

#### 3.1 INTERGOVERNMENTAL PRIORITISED PROJECTS

##### 3.1.1 CRITICAL GROWTH AND DEVELOPMENT PROJECTS FOR ALL SECTORS

The following projects have been identified as critical for sustained growth and development of the City, social, business and residential. They require major capital investment and the city has no option but to ensure they are built:

Due to the funding requirements an intergovernmental approach is required

**Table 6: Critical Growth and Investment projects**

Project	Cost R	Budget	Timing
Nooitgedacht	375 million	70 m 2015/16 128 m potential	Immediate
Fishwater Flats	1,3 Billion	87 m	5 years
Coega Waste Water	1,5 Billion	0	5-10 years
Coega Return Effluent	600 million	0 Potentially self funding	2-3 years

- The completion of the Nooitgedacht Low Level Scheme remains the most significant project to ensure long-term water sustainability in the NMBM. This project supports both the provision of basic water, but also water for economic development. Phase 2 of this project has commenced by the implementation of three contracts scheduled for completion in February 2017. The NMBM has set aside funding to support these contracts. Phase 3 requires R210M (four contracts) for the completion of the entire expansion. Although the Department of Water and Sanitation (DWS) has committed R128M there remains a shortfall and until this is confirmed, no tenders can be called.
- Fishwater Flats Wastewater Treatment Works (FWFWWTW) upgrade has commenced with the inlet works which are approximately 75% complete. The Wastewater Treatment Works is critical (socially & economically) for further growth and development in the Metro. The total funding needed is estimated at R1,3 billion.
- Economic infrastructure for development such as the Coega Wastewater Treatment Works and the Coega Return Effluent Scheme, is needed to support the Coega IDZ. Further development of the IDZ will be hampered without funding for these projects. An investment of approximately R600M is required to complete the project.
- Planning has commenced on a new wastewater treatment facility to support the housing developments north of Motherwell and the Coega IDZ. This plant is planned for an ultimate capacity of 120 MI/d costing in the region of R1 500M. A start up capacity of approximately 40-50MI/d will be required.

As part of the Capacity Support Implementation Plan, funding strategies for Fishwater Flats and the Coega Waste Water Treatment Works will be looked at to optimise the timing and funding.

## Backlogs and funding requirements

Annexure A attached indicates the detailed infrastructure and maintenance requirements per sector for NMBM.

The table below reflects the total capital backlog for NMBM.

**Table 7: Total Infrastructure Capital backlog**

BACKLOGS	AMOUNT
Infrastructure capital backlog	R 10 541 000 000
Capital refurbishment and repairs and maintenance	R 11 697 000 000
Electricity network refurbishment and infrastructure recapitalisation	R 1 324 000 000
<b>Total</b>	<b>R 23 562 000 000</b>

The abovementioned amount of R 23 ,562 Billion does not include the provision of public amenities such as schools libraries and clinics, public transport provision and housing for backyard dwellers.

### 3.1.1.1 Coordination and alignment with SIPS

There are three Presidential Infrastructure Coordinating Commission (PICC) programmes that affect the NMBM. The PICC is made up of 18 programmes, generally called SIP (Strategic Integrated Projects).

The following SIPs apply in NMBM:

- SIP 3: South Eastern Node and Corridor Development  
Focused on the creation of infrastructure for economic purposes.
- SIP 7: Integrated Urban Space and Public Transport Programme

Focused on the creation of infrastructure for the development of urban spaces.

- **SIP 18: Water & Sanitation**

Focused on the creation of water and sanitation infrastructure, as much of the listed projects are common in all the SIPs.

The PICC has now clearly indicated that the Commission provides a coordinating function for all the projects identified at local level and does not provide any finances for the implementation of the projects.

**TABLE 8 : Current SIP Projects in Nelson Mandela Bay**

<b>Project Name and Scope</b>	<b>Project status</b>	<b>Project budget</b>	
Coega IDZ & Port of Ngqura: Water & Sanitation Services  <i>Construction of a water treatment works, waste Water treatment works, pump stations, reservoirs and pipelines.</i>	<p>1. Nootgedacht: 98% of pipelines complete. Transfer pump station and break pressure reservoir: 90% complete. Phase 2 tenders are scheduled for completion in February 2017.</p> <p>2. Wastewater Treatment Works: Preliminary design and EIA commenced.</p> <p>3. Recycled effluent schemes in preliminary design stage. ROD received for RE scheme. Reclaimed reservoir is being constructed. Business plan being prepared with the Coega IDZ for funding.</p>	<p>Bulk Water: Wastewater Treatment: Recycled water for Industrial Use: TOTAL:</p>	<p>R351M R900M R600M  R1851M (Cost indicated as at the time of submission.)</p>

Project Name and Scope	Project status	Project budget	
<p>Integrated Human Settlements&amp; Bucket Eradication</p> <p><i>Construction of bulk services, reticulation services and top structures to relocate household from stressful informal settlements and meeting the national target for the eradication of informal settlements</i></p>	<p>Business Plan for funding completed. NMBM Council approved a short, medium and long term approach to bucket eradication. House building contractors are constructing houses where subsidies are available and slabs &amp; toilets (medium term approach) on serviced site where no subsidies are available yet.</p>	<p>Houses: Internal water and sanitation services:</p> <p>Bulk water and sanitation services:</p> <p>Roads and stormwater:</p> <p>TOTAL:</p>	<p>R2357M R696.9M</p> <p>R1340.5M R888.4M</p> <p>R5282.8M (Cost indicated as at the time of submission.)</p>
<p>Waste Water Treatment &amp; Environment</p> <p><i>Upgrading of all waste Water treatment works to support the eradication of buckets by providing waterborne sanitation.</i></p> <p><i>Improvement of river water quality</i></p>	<p>1. Phase 1 update of Fishwater Flats WWTW commenced on inlet structures.</p> <p>2. Only limited budget is available for the upgrade of all the WWTWs.</p> <p>3. ROD for Cape Recife WWTW being queried by DEDEAT</p>		R484M
<p>Improving road access to KwaZakhele Township</p> <p><i>Upgrading of John Tallant Road, construction of a link road to KwaZakhele Township and rehabilitation of Grahamstown Road.</i></p>	<p>Project completed in September 2014</p>		R61M

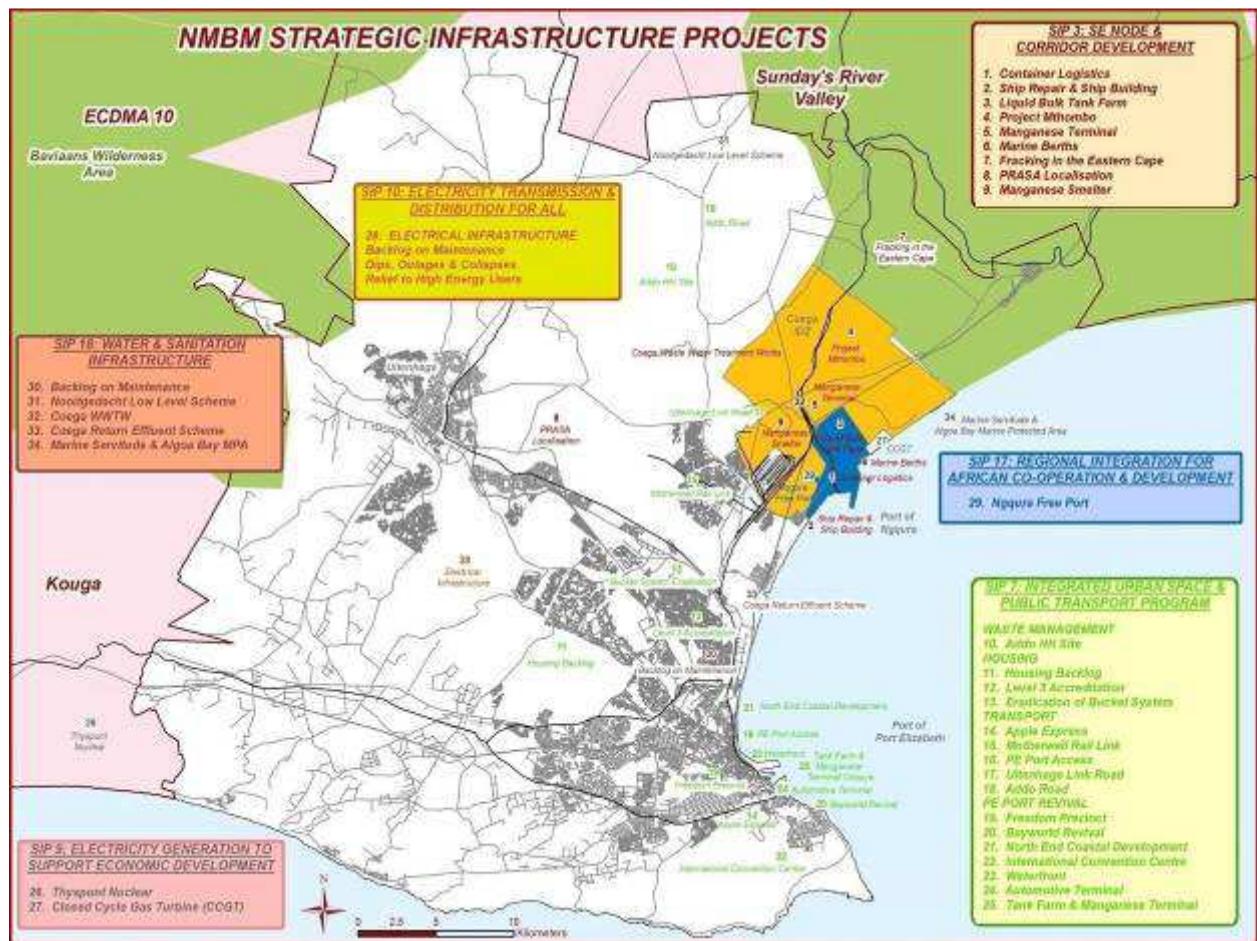
Project Name and Scope	Project status	Project budget	
<p>BRT / IPTS</p> <p><i>Provision of efficient, safe, affordable, sustainable and accessible multi-modal public transport system that supports social and economic development to ensure optimal mobility and improved quality of life for the residents and users of the transport system in the Metropolitan area</i></p>	<p>IPTS review currently under way</p>		<p>R2500M</p>

The funding of strategic projects listed under the SIP must be reviewed to ensure the sustainability of infrastructure to support all the sectors. The NMBM has decided to commence on some of these strategic projects such as the Nooitgedacht Low Level Scheme and Fishwater Flats Wastewater Treatment Works in order support growth and compliance, but this is being done to the detriment of other projects.

The projects identified under the three applicable SIPs for the NMBM are all part of current and future budget cycles; therefore, these are all spatially depicted as part of the Metropolitan Spatial Development Framework.

The following diagram prepared by the Coega Development Corporation attempts to identify most of the strategic projects in NMBM and to align them with SIPS initiatives beyond the main SIPS applicable to NMBM.

**FIGURE 26: NMBM Strategic Infrastructure Projects**



Source: Coega Development Corporation, 2013

## **3.2 INSTITUTIONAL ARRANGEMENTS AND OPERATING BUDGET**

### **3.2.1 LEADERSHIP AND GOOD GOVERNANCE**

#### **3.2.1.1 Strategic Development Review and CSIP Projects**

It is important to note that since February 2015 there has been a political and administrative intervention by the Department of Co-operative Governance and Traditional Affairs (CoGTA) in the Nelson Mandela Bay Municipality.

Prior to the intervention and especially subsequent to the intervention, the CSP Capacity Support Implementation Projects supporting leadership and good governance have become particularly important.

Section 1 deals with the Strategic Development Review as well as the CSIP and status of projects in detail.

The following specific leadership and good governance projects form part of the CSIP.

- Organisational change management support**

NMBM faces severe organisational challenges. These have included instability, political/ administrative blurring, problems with legal compliance and an extremely poor labour relations environment. The organisational structure also requires review to align the institution with its strategic objectives. The work will include a review of the organisational structure; advice on the labour relations environment, and if appropriate teambuilding and coaching of management team to build a strong management team.

- Integrity strategy development & implementation**

NMBM faces many allegations of corruption. There are also many internal audit reports as well as wider reaching reports such as the Kabuso and Pikoli reports that indicate an organisational culture lacking in integrity, trust and ethics. The local press constantly publicises articles which question the ethics and integrity of officials and politicians within the organisation. The project aims to develop processes that will strengthen integrity systems and enhance levels of transparency.

- **Expanding modalities for citizen engagement**

There is widespread distrust and there are constant challenges to city initiatives due to inadequate and inappropriate consultation and citizen engagement. In addition there are constant protests challenging the institution. The IDP/budget participation processes can be greatly enhanced. The intention is to develop processes through which citizen trust can be enhanced and with proper participation lead to credible and well understood IDP and budget processes.

- **Financial planning support**

NMBM has difficulty to adequately assess capital and operating priorities. This project seeks to introduce an appropriate capital prioritisation and planning system. It also seeks to assist in the development of a Long Term Financial Sustainability Strategy (LTFSS). A further aspect to be addressed is an improvement of the IDP Budget processes and alignment. The intention is to establish a credible budget planning process within the NMBM that addresses the key issues proactively and timeously to support a smooth budget process.

- **Revenue strategy and management support**

The current budget preparation processes indicates inappropriate tariff structures, increasing gross debtors and inadequate revenue system functionality. Review current tariff structures, compare them to service delivery costs and affordability of debtors; and suggest changes which could be more appropriate; review revenue system functionality and performance and advise on possible improvements; review and advise on suggested approaches to collecting the debtors book.

- **Long term development planning support**

NMBM has no substantive development vision and strategy. The intention is develop a short , medium and longer term development vision and strategy by managing the development of the BEPP , SDF, Transport planning and housing programme and other strategic documents and ensuring that they are effectively aligned and feed into the annual processes generating the budget and IDP. This is to be led by the SDR report findings and decisions.

### **3.2.1.2 Intersectoral Municipal Provincial, SOE, National Consultation**

This section requires further consideration and elaboration. This will be done in the course of finalisation of the BEPP.

The following aspects are worth noting.

#### **IGR Forum**

The NMBM holds regular IGR forum meetings to which other spheres of government sector departments are invited to deal with intersectoral issues.

Processes are underway to ensure that this forum becomes more strategic in its work.

#### **SOE workshop**

A State Owned Enterprises workshop was held in September 2015 to establish a common agenda with SOE's. This needs to be developed further in the course of 2015/16.

#### **Risk mitigation and Operating budget implications**

These aspects have not been specifically addressed as part of this BEPP. Consideration will be given to these issues for inclusion in the final BEPP submission.

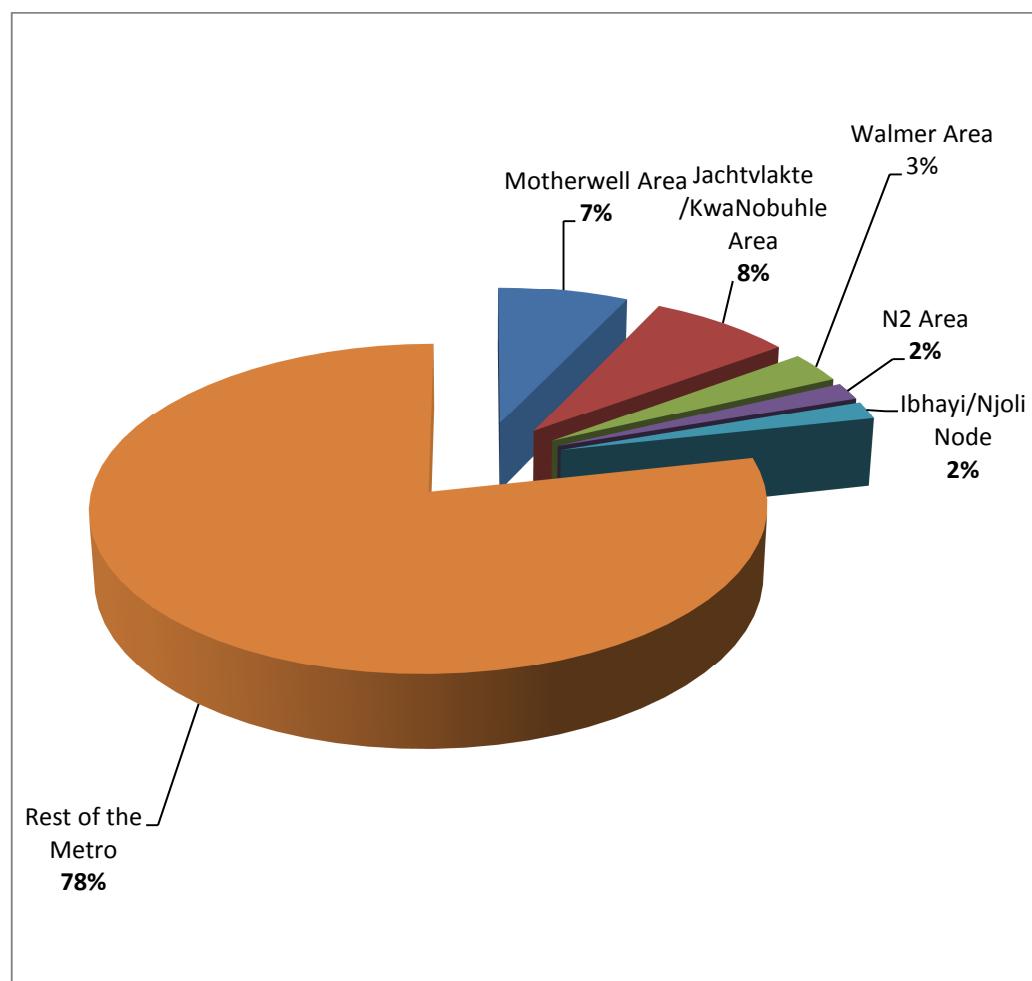
## 4. CAPITAL FUNDING

### 4.1 SPATIAL BUDGET MIX

#### 4.1.1 CAPITAL BUDGET ALLOCATIONS TO PRIORITY DEVELOPMENT AREAS

The development trends are captured in the NMBM IDP and Budgets and are illustrated by the distribution of funding priorities in terms of the 2015/2016 Draft Capital Budget, as reflected in the figures below.

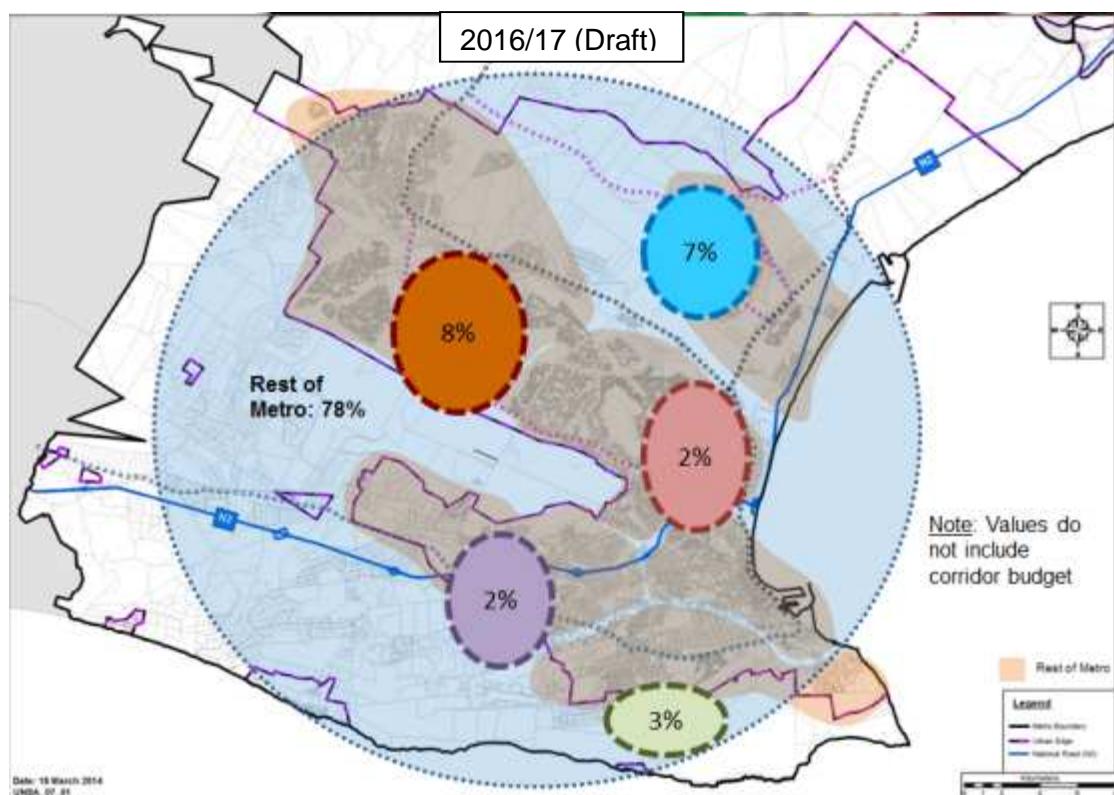
**FIGURE 27: Area Priorities as a Percentage of Draft Budget (2016/17)**



**TABLE 9: Area Priorities in Nelson Mandela Bay (2016/17)**

Area priorities	2016/17 Draft Capital Budget	%
Motherwell Area	R 116,918,301	7%
Jachtvlakte/KwaNobuhle Area	R 128,022,000	8%
Walmer Area	R 50,160,000	3%
N2 Area	R 28,500,000	2%
Ibhayi/Njoli Node	R 29,804,000	2%
Rest of the Metro	R 1,281,455,699	78%
<b>Totals</b>	<b>R 1,687,643,757</b>	<b>100%</b>

Source: NMBM Budget & Treasury, 2015

**FIGURE 28: Percentage Allocation of 2016/17 Draft Budget in Relation to Priority Development Areas**

Source: NMBM, 2015

These figures represent a decrease in funding for the development areas since the last financial year. These figures will change before the final budget is concluded however the decrease at present is attributable to the funding that has been redirected to the Nooitgedacht Low Level Scheme and the bucket eradication programme which are priorities.

#### 4.1.1.1 Capital Budget Allocations to Integration Zones

The following table has been prepared, showing the Budget for projects in the elements of the Urban Network Strategy described above.

**TABLE 10: Integration Zone Budget Allocations**

#### Ibhayi

Project ID	Projects Description	2014/15 Actual Expenditure	2015/16 Approved Capital Budget	Draft 2016/17 Capital Budget
20100104	Mendi Bottle Store Renovation	3,585,304	9,000,000	5,198,400
20130040	Nkatha/Seyisi - Human Settlement (Services)	-	1,500,000	1,429,560
20010118	Reinforcement of Electricity Network - Ibhayi	1,279,697	1,622,200	1,949,400
20030475	New Brighton/Kwazakhele: Bulk Stormwater	2,408,447	2,000,000	2,599,200
19990168	Njoli Square Redevelopment	2,494,442	4,458,280	22,800,000
<b>TOTAL DRAFT CAPITAL BUDGET</b>		<b>9,767,890</b>	<b>18,580,480</b>	<b>33,976,560</b>

**Motherwell Area**

<b>Project ID</b>	<b>Projects Description</b>	<b>2014/15 Actual Expenditure</b>	<b>2015/16 Approved Capital Budget</b>	<b>Draft 2016/17 Capital Budget</b>
20120055	Motherwell NU 30 - Human Settlement (Services)	25,895,391	18,320,000	45,600,000
20120061	Motherwell NU 31 - Human Settlement (Services)	-	-	25,000,000
19960193	Reinforcement of Electricity Network - Wells Estate	1,064,322	1,083,300	570,000
19990104	Coega Reinforcement	34,366,477	15,000,000	17,100,000
20060081	Coega Reclaimed Effluent Scheme	-	1,000,000	1,140,000
20060106	Motherwell North Bulk Sewerage	818,836	1,000,000	4,640,000
20110054	Motherwell Main Sewer Upgrade	46,857	1,000,000	7,410,000
19940233	Motherwell Canal Wetlands	858,144	960,300	1,710,000
20030379	Motherwell NU29 & 30 : Roads & S/w Bulk Infrastructure	757,056	4,000,000	2,280,000
20080079	Wells Estate - Stormwater Improvements	2,337,983	-	1,140,000
20100060	New Firestation - Motherwell	-	-	10,328,301
<b>TOTAL DRAFT CAPITAL BUDGET</b>		<b>66,145,066</b>	<b>42,363,600</b>	<b>116,918,301</b>

**Jachtvlakte/KwaNobuhle Area**

<b>Project ID</b>	<b>Projects Description</b>	<b>2014/15 Actual Expenditure</b>	<b>2015/16 Approved Capital Budget</b>	<b>Draft 2016/17 Capital Budget</b>
20120030	Kwanobuhle Area 11 - Human Settlement (Services)	20,827,678	11,000,000	22,800,000
20120033	Jagvlakte (Chatty 11-14) - Human Settlement (Services)	1,514,215	573,000	62,700,000
20050189	Replace Switchgear in Mini subs - KwaNobuhle	238,725	250,000	342,000
20060103	Jagvlakte Bulk Sewerage	-	1,000,000	1,140,000
20070144	Kwanobuhle WWTW : Upgrading	8,570,178	4,000,000	4,560,000
20070147	Kelvin Jones WWTW: Upgrade	5,150,121	17,000,000	19,380,000
20110068	KwaNobuhle Area 11 - Link Sewer	9,356,375	16,200,000	17,100,000
<b>TOTAL DRAFT CAPITAL BUDGET</b>		<b>45,657,292</b>	<b>50,023,000</b>	<b>128,022,000</b>

**Walmer Area**

<b>Project ID</b>	<b>Projects Description</b>	<b>2014/15 Actual Expenditure</b>	<b>2015/16 Approved Capital Budget</b>	<b>Draft 2016/17 Capital Budget</b>
20120047	Walmer Development - Human Settlement (Services)	3,255,197	27,360,090	17,100,000
20030471	Reinforcement of Electricity Network - Walmer Lorraine	1,485,768	1,314,000	4,560,000
20110067	Industrial Site (Airport Valley) - Bulk Sewer	276,742	1,000,000	1,140,000
20150034	Upgrading of Fountain Road - Walmer Township	-	1,000,000	4,560,000
19940204	H103: Heugh Road (MR427) Widening (3rd Avenue to Wentworth)	183,505	10,000,000	11,400,000
20060240	Theescombe / Gqebera Bulk Stormwater	-	27,000,000	11,400,000
<b>TOTAL DRAFT CAPITAL BUDGET</b>		<b>5,201,212</b>	<b>67,674,090</b>	<b>50,160,000</b>

**N2 Area**

<b>Project ID</b>	<b>Projects Description</b>	<b>2014/15 Actual Expenditure</b>	<b>2015/16 Approved Capital Budget</b>	<b>Draft 2016/17 Capital Budget</b>
20120048	Hunters Retreat - Grogro - Human Settlement (Services)	-	-	28,500,000
19940201	H45 Redhouse - Chelsea Arterial: Walker Drive to N2	25,000,000	6,039,700	-
		<b>25,000,000</b>	<b>6,039,700</b>	<b>28,500,000</b>

Source: NMBM Budget & Treasury, 2015

## 4.2 INVESTMENT STRATEGY

### 4.2.1 APPLICATION OF GRANT ALLOCATIONS

The application of grant resources is reflected below.

The Nelson Mandela Bay Municipality fully complies with the grant conditions as stipulated in the Division of Revenue Act. For this reason a conscious decision was made to apply the grant in the following areas:

To formalize informal areas by providing:

- Portable running water to support housing delivery and upgrading of informal human settlement.
- Water borne sewerage to support housing delivery and upgrading of informal human settlement.
- Increase water treatment capacity to cater for the additional water demand for both current and future housing delivery and upgrading of informal human settlement.
- Increase water network capacity to cater for the additional water demand for both current and future housing delivery and upgrading of informal human settlement
- Upgrading and expanding the waste water and sewerage treatment facilities to handle the additional affluent that need to be treated as informal settlement are upgraded and developed.
- Upgrading the pipe network capacity to handle the additional sewerage and waste water flow as result of housing delivery and the upgrading of informal settlements
- Bucket Eradication
- Tarring of gravel roads and provision of stormwater networks as part of the upgrading program of informal settlements.
- Upgrading and rehabilitation of existing stormwater network due to densification and ageing of infrastructure
- Provision of sidewalks when areas are upgraded and new areas developed to ensure a safe environment for pedestrians.

The NMBM applies its grant funding (USDG) for the development of infrastructure that supports the Housing Programme. This has resulted in the installation of water and sewer pipelines that serve each of the identified human settlements for house construction. In addition, the funds have also been used for the upgrade and development of sewer pump stations and water and waste water treatment works. With this as background, it has also formed the basis of the NMBM adopted approach that the best way to eradicate buckets is through the establishment of integrated human settlements, in terms of which communities are relocated from stressful situations to subsidised houses (HSDG) with waterborne sanitation. Recently other bucket eradication initiatives have been introduced as recorded elsewhere in this report. The challenge is the misalignment of the USDG and the HSDG because of beneficiary management challenges.

**TABLE 11: Application of Grant Resources**

<b>Urban Settlements Development Grant</b>		<b>888,308,000</b>
	Tarring of Gravel Roads and stormwater infrastructure	68,400,000
	Bulk Water	185,840,000
	Bulk Sanitation and Bucket Eradication	384,294,000
	Internal Services for Housing Delivery	249,774,000
<b>Integrated National Electrification Grant (INEG)</b>		<b>40,000,000</b>
	Informal Housing Electrification	40,000,000
<b>Integrated Public Transport System (IPTS)</b>		<b>209,330,000</b>
	Public Transport Infrastructure	209,330,000
<b>Neighbourhood Development Partnership Grant</b>		<b>20,000,000</b>
	Local Economic Development	20,000,000
<b>Total Grant Funding for the Draft 2016/17 Capital Budget (Vat Incl)</b>		<b>1,124,236,000</b>

Source: NMBM Budget & Treasury, 2015

## 4.3 INSTITUTIONAL ARRANGEMENTS AND OPERATING BUDGET

### 4.3.1 CAPACITY SUPPORT IMPLEMENTATION PLAN

In terms of the Capacity Support Implementation Plan, Nelson Mandela Bay Municipality will receive technical support and expert review to enhance capital planning, the budget process and a financial sustainability strategy.

It has been the experience that NMBM has in the past had difficulty in adequately assessing capital and operating budget priorities. The support from the City Support Programme will assist in reaching agreement around priorities and ensuring the correct priorities are addressed.

### 4.3.2 VALUE OF PROGRAMMES AND PROJECTS BY SECTOR

The following is the value of programmes by Sector:

**TABLE 12: Value of Programmes and Projects by Sector (Vat Incl.)**

Directorate	2014/15 Capital Budget Expenditure	2015/16 Capital Budget Expenditure	2016/17 Draft Capital Budget
Budget & Treasury	28,062,282	84,360,000	7,850,000
Chief Operating Officer	22,335,772	7,809,000	3,800,000
Corporate Services	35,211,503	30,837,000	26,900,000
Economic Development, Tourism and Agriculture	3,285,974	7,211,258	-
Recreational & Cultural Services	16,226,594	119,130,000	29,000,000
Human Settlements	191,041,624	199,622,915	249,774,000
Electricity and Energy	197,235,560	249,651,280	233,792,001
Roads, Stormwater, Transportation & Fleet	216,302,613	469,930,442	410,010,000
Water Services	153,392,713	188,103,735	209,340,000
Sanitation Services	275,475,269	304,893,000	410,544,000
Public Health	63,681,929	43,813,107	49,600,000
Safety & Security	11,822,000	8,322,000	10,964,500
Motherwell Urban Renewal Programme	2,263,232	9,188,301	2,288,500
Source: NMBM Budget & Treasury, 2015	<b>1,599,848,001</b>	<b>1,722,872,037</b>	<b>1,634,860,001</b>

## **5. IMPLEMENTATION**

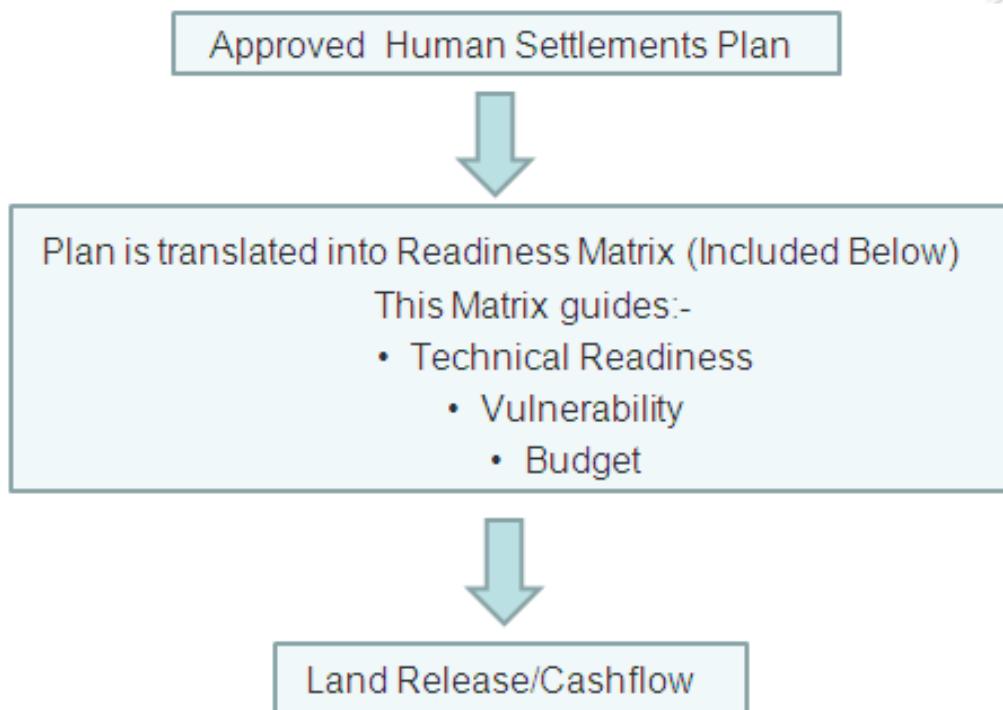
### **5.1 LAND RELEASE STRATEGY**

The Human Settlements Plan (NMBM Human Settlement Directorate, 2012) provides for residential development on land that is owned by the Municipality and the development of this land is done in accordance with the Development Readiness Matrix, which is a project management tool for the Housing Programme.

The NMBM is in the fortunate situation of owning large areas of land. Land is released for the Housing Programme sequentially in terms of the MSDF to minimise expenditure on bulk infrastructure and according to statutory approvals required for township development.

The entire Housing Programme is included in the municipal Human Settlements Plan and the Human Settlements Plan form part of the Human Settlements Sector Plan of the Municipality.

The development process is shown in the figure below.

**FIGURE 29: Development process**

Attached as Annexure “B” is a table that reflects all of the current informal settlements upgrading and relocation projects within the Municipality.

## 5.2 PROCUREMENT APPROACH FOR TOP PRIORITY PROJECTS

### 5.2.1 SUPPLY CHAIN MANAGEMENT AND PROCUREMENT PLAN

The Municipality has a Supply Chain Management Policy and System in place. These comply with legislation requirements and govern all supply chain management processes, including tender specifications, evaluation and adjudication.

The Municipality also has a Supply Chain and Contract Management Unit to assist project managers and directorates in procurement processes.

Approximately 45% of the 2016/17 Draft Capital Budget is contractually committed to projects as procurement of those multi-year projects started prior financial years.

Due to the infrastructure planning and condition assessment cycles, the procurement plans of some project only kick start the procurement processes late in the financial year.

In the 2015/16 financial year, the Municipality continues to enhance its contract management system to a completely electronic supply chain management information system. This municipality now has a paperless supply chain system for all new demands that started in the 2014/15 financial year. This will ensure security of information and assist to eliminate irregular expenditure due to incomplete tender files, improved turnaround times and improved record keeping.

### **5.3 INSTITUTIONAL ARRANGEMENTS AND OPERATING BUDGET**

#### **5.3.1 CAPITAL PROGRAMME**

The NMBM has set up a Capital Programme to implement infrastructure to meet its developmental needs, as captured in the IDP. The supporting sector plans identify the needs/gaps in infrastructure, which are then scheduled for implementation in the three-year Capital Programme.

Planning for implementation includes the concept designs, water use license application, environmental assessments, final designs and construction, which are the different phases that are planned for and that are critical for the successful spending of the Capital Budget. In the 2014/15 financial year the municipality managed to spend 100% of the Original budget but 91% of the Adjustments Budget 98.7% of the Capital Budget despite serious setbacks and challenges the Municipality faced and will continue to face. Structures have been set up for the monitoring of implementation and expenditure, as follows:

- Directorate
  - Projects management of individual projects.
  - Reporting to the Portfolio Committees.
- Quarterly performance
  - Report of performance on SDBIP.
  - Grant budget performance.
  - Budget implementation.
- Annual
  - Reporting of Directorates' annual performance.
  - Annual SDBIP performance.

The above measures assist the successful implementation of the Budget Programmes and the Annual Report. Although budget expenditure of over 95% has consistently been achieved, concerns have been raised about the “hockey stick” expenditure curve versus the traditional S-curve. This theory can be tested on individual projects, considering that over 200 projects are being implemented. If all projects were scheduled for completion by 30 June 2015, this S-curve would result, but as this is not the case, it will seldom be achieved; within the municipal implementation space, various other factors impact seriously on the project cycle, such as:

- Ward priorities and ward-based budgets for housing development and tarring of gravel roads.
- Community objections.
- Community Protests stopping projects delaying completion of projects
- Small, medium and micro enterprise contractors: Demand for work and the associated work stoppages.

### **5.3.2 CAPACITY SUPPORT IMPLEMENTATION PLAN**

Apart from other relevant CSIP projects mentioned in other sections of this report the following projects are of relevance to properly managing the Capital Budget and operating budgets.

#### **Financial planning support**

NMBM has difficulty to adequately assess capital and operating priorities. This project seeks to introduce an appropriate capital prioritisation and planning system. It also seeks to assist in the development of a Long Term Financial Sustainability Strategy (LTFSS).

A further aspect to be addressed is an improvement of the IDP Budget processes and alignment. The intention is to establish a credible budget planning process within the NMBM that addresses the key issues proactively and timeously to support a smooth budget process

#### **Revenue strategy and management support**

The current budget preparation processes indicates inappropriate tariff structures, increasing gross debtors and inadequate revenue system functionality. Review current tariff structures, compare them to service delivery costs and affordability of debtors; and suggest changes which could be more appropriate; review revenue system functionality and performance and advise on possible improvements; review and advise on suggested approaches to collecting the debtors book.

#### **Infrastructure financing support**

There are 3 strategic water services projects well placed to support poverty reduction and promote economic development. These are bucket eradication, Phase two of the Nooitgedacht WWTW and Fishwater Flats WWTW. The project involves high level strategic evaluation of the current proposals and to make recommendations on approaches to accelerate implementation.

**Long term development planning support**

NMBM has no substantive development vision and strategy. The intention is develop a short , medium and longer term development vision and strategy by managing the development of the BEPP , SDF, Transport planning and housing programme and other strategic documents and ensuring that they are effectively aligned and feed into the annual processes generating the budget and IDP. This is to be led by the SDR report findings and decisions.

## **6. URBAN MANAGEMENT**

### **6.1 URBAN MANAGEMENT INTERVENTIONS**

This BEPP has identified the Integration Zones which has been completed with reference to National Treasury where the UNS is prescribed.

Because the Municipality has not yet dealt with precinct planning in the integration zones, urban management initiatives have not yet been identified. This aspect will receive attention after the precinct planning is complete. Precinct planning in selected integration zones is expected to be completed in the 2015/16 financial year.

The CSIP has identified this area as one of the projects to be implemented through the City Support Programme.

Specific consideration will be given to non-infrastructure related interventions as the integration zones are developed further.

It is recognised that successful urban areas are not only brought about by bricks and mortar, but by management systems, such as Special Rating Areas (SRA's) in CBD areas. The first operating SRA exists in Richmond Hill. Property owners pay a levy through the municipal accounts and the amount is paid over to a specially created company that looks after services. Other areas as candidates as SRA's are being considered.

### **6.2 TRANSPORT MANAGEMENT**

#### **6.2.1 TRENDS AND DEMAND FOR TRANSPORTATION**

The NMBM is aware of the experiences of cities that are implementing IPTS projects.

Those cities are currently operating at deficits (revenue is not covering the direct operating costs). The NMBM is currently undergoing a process of rethinking and remodelling the implementation of the IPTS project as previously conceived.

This is to ensure that the city can afford to provide a new public transport system. To that end, a team from the Cities Support Program of National Treasury has visited the NMBM in the course of 2015 to explore ways in which the city can move forward taking into account the history of the project, especially the fact that the city has delayed in implementing the IPTS project.

A workshop to assist the new executive leadership in developing the best strategy for public transport services was held. Parallel to this process, the National Department of Transport and the NMBM are currently engaging on mapping a recovery plan for the project.

The recovery plan will detail the process that the NMBM will follow which entails undertaking public transport operator surveys on affected priority routes (corridors) from Cleary Park and Njoli to the PE CBD. The data collected will be used to finalise operational plans on these affected routes and the operational plans will in turn be used to finalise financial plans by January 2016. A report on these routes will then be placed before Council for adoption.

If these plans are approved by Council, the NMBM will target a roll-out of Public Transport Services from Cleary Park to PE CBD from June 2016 and from Njoli to PE CBD in 2017.

Fundamental to the concept of the Integration zones is the accessibility via public transport and Transport Oriented Development. This accords with the CITP objectives of :

- Integration
- Safety
- Environmental Impact
- Economy
- Accessibility

Poor integration of land-uses and inadequate accessibility to work opportunities by public transport negatively impact the economy and environment through long average travel times, high fuel usage and wasted time.

One of the focal points of the MSDF is to develop corridors along major transport routes. The corridors in the integration zones are to be flanked by mixed-use development and will be supported by improved public transport routes in the integration zones once a system that is sustainable is devised and committed to.

City Support Programme of National Treasury has, since late 2014, been supporting the NMBM with a view to determine whether the Integrated Public Transport System that is being planned is affordable and sustainable. To this end, the World Bank was appointed by National Treasury to assist the NMBM. As mentioned above the entire IPTS system as conceived up until the 2014/15 BEPP is under review.

### **6.3 INSTITUTIONAL ARRANGEMENTS AND OPERATING BUDGET**

As stated above, precincts within the integration zones have not yet been detailed. It is intended in the 2015/16 financial year to complete precinct planning for Ibhayi, Bethelsdorp and Motherwell areas which support integration zones. Once this is completed precinct management entities can be further established.

Notwithstanding the above, the Municipality has a number of existing precinct management entities presently dealing with locality bound urban management.

#### **6.3.1 PRECINCT -BASED MANAGEMENT ENTITIES**

There are five area-based management initiatives. These are:

- Mandela Bay Development Agency (MBDA)
- Uitenhage-Despatch Development Initiative (UDDI)
- Motherwell Urban Renewal Programme (MURP)
- Helenvale Urban Renewal Programme (HURP)
- Coega Development Corporation (CDC)

### **6.3.1.1 Mandela Bay Development Agency (MBDA)**

The Mandela Bay Development Agency (MBDA), was established in 2003 by the Nelson Mandela Bay Municipality (NMBM) with the support of the Industrial Development Corporation (IDC) and implements urban regeneration in Nelson Mandela Bay's inner city. The aim is to promote economic and tourism development against the backdrop of urban renewal. The MBDA is a Municipal Entity. The MBDA's mandate also extends to the Uitenhage Inner-city and other development and township areas.

The philosophy of the MBDA which applies to their projects is to create well researched, community participated, catalytic infrastructure projects and services through public sector investment to attract private sector investment. In this way, a more diverse economy including tourism and real estate is created.

A study conducted for the Municipality in the Central Business District has confirmed that investments by the entity have resulted in significant property value increases, increased business turnover, business expansion and upgrades and consequent increased rates.

The following projects are now ready for implementation or are being implemented:

- Tramways Building redevelopment (under implementation)
- Happy Valley Precinct development/ Telkom Park / Eastern Province Rugby Union (EPRU) Stadium redevelopment
- Baakens River Precinct Node 1 – Vuyisile Mini Square
- Baakens River Precinct Node 1 – Pedestrian Bridge
- Singapi Street Environmental Upgrade
- Restoration of the Campanile building
- Rivonia Trial Art Piece
- Expanded Public Works Programme – Visual Arts and Heritage

Of the above, the Baakens River Precinct and Happy Valley Precincts, form part of the suite of catalytic projects of the Municipality.

### **6.3.1.2 Uitenhage-Despatch Development Initiative (UDDI)**

The UDDI was established in 2000 as an initiative between the private sector (Volkswagen), and NMBM to focus on development in the Uitenhage and Despatch area. The UDDI, as a facilitation body for the promotion of sustainable development in Nelson Mandela Bay, with the main focus on Uitenhage and Despatch, is an implementer for some of the Metro's programmes in the Uitenhage/Despatch area.

The UDDI's goal is to stimulate special and economic sector development in the sub-region to regenerate the ailing economies of this region of Nelson Mandela Bay.

The UDDI has three strategic focus areas, aligned to the IDP of the Nelson Mandela Bay Municipality. These three areas are:

- Town improvement
- Enterprise development
- Spatial economic linkages between Uitenhage and Despatch

The initiatives under the three focus areas have been set in line with the UDDI's three-year strategic plan, with a strong bias towards job creation, skills development, education improvement, SMME sector development and the general socio-economic improvement of the Uitenhage and Despatch communities.

### **6.3.1.3 MOTHERWELL URBAN RENEWAL PROGRAMME (MURP)**

Motherwell is one of eight pilot areas targeted by the Presidential programme for Urban Renewal. The main objectives of this programme are to eradicate crime, poverty and joblessness in the targeted areas.

Motherwell was established in 1982 to accommodate people from informal and illegal dwellings built on the flood plains in Soweto-on-Sea, and to cater for the influx of people into the urban area.

Motherwell was primarily developed as a residential area and the necessary infrastructure for recreational facilities, basic amenities and job creation did not keep pace with the growth of the area.

The key strategic objectives of the Urban Renewal Strategy are:

- Infrastructure development
- Economic development
- Crime reduction
- Job creation

125 public sector projects have been implemented in Motherwell since the start of the programme. These equate to R551 666 211 in the fields of local economic development, human settlements and social development.

The impacts of the urban renewal programme are that household income has improved by 16,6% due to an increase in the number of employed household heads. Secondly, 92% of households occupy formal structures compared to only 65% in 2001 and sewerage connections have increased from 22 714 in 2001 to 37 116 (95%) in 2011.

In addition, piped tap water has increased from 10 077 in 2001 to 30 659 in 2011 (46,7%).

#### **6.3.1.4 Helenvale Urban Renewal Programme (HURP)**

Helenvale was declared an urban renewal area in 2006. National and provincial investment have resulted in R78 million invested between 2007 and 2012 specifically focused on infrastructure, skills programmes and job creation. Investment by the German Development Bank of R50 million, for the Safety and Peace through Urban Upgrading Programme (SPUU) will result in interventions focused on creating a safer Helenvale through implementation of physical and social infrastructure.

In 2011, management of the Helenvale Urban Renewal Programme (HURP) was moved to the Mandela Bay Development Agency (MBDA). Since the urban renewal pilot period ended in 2012, HURP has advanced into SPUU.

As part of the requirements of German Development Bank, a Programme Advisory Committee (PAC) was elected by the community to work with the MBDA in 2012.

The following main projects were implemented by the MBDA between **2012 and 2014:**

- Partnership with the South African Business Coalition on HIV/AIDS. 120 people trained in business skills, life skills and issues relating to HIV/AIDS.
- A street soccer programme in collaboration with the SAPS.
- Teams (gangs) that dealt with issues of leadership.
- A programme to train matriculated youth in information technology and life skills. The 15 most deserving learners were placed at various workplaces for six months.
- A training programme called Work for a Living, was offered to Grade 10-12 youths, focusing on job-seeking, entrepreneurial, computer and life skills.
- The Helenvale Cleaning Cooperative (HEMCO) was awarded a tender to clean out all the illegal dumping sites with weekly servicing in Helenvale for two months. Employment was created for 150 people.
- A “Back to School” study was conducted to understand the causes of school absenteeism in Helenvale.
- A socio-demographic study was commissioned to serve as a functional database to ensure fairness in employment of people from Helenvale on public sector projects.
- 25 Educators representing the various Crèches have been trained.
- Drivers License training for 30 people.
- Youth leadership training and capacity building workshop.
- Women and Youth outreach.
- The Helenvale Resource Centre was opened on 15 October 2013.

The SPUU is dealing with a number of components and these include:

- Component 1: Public Space and Infrastructure
- Component 2: Safer Schools
- Component 3: Youth Employment Promotion
- Component 4: Prevention of Domestic Violence
- Component 5: Improved Living Spaces – Pilot Housing

#### **6.3.1.5 Coega Development Corporation**

The Coega Development Corporation (Pty) Ltd (“CDC”) was established in 1999 to develop and operate the Coega Industrial Development Zone (“IDZ”).

The IDZ is intended to be the major employment generator of the metro and region. As such the relationship and cooperation between NMBM and the CDC is very important.

The NMBM and the CDC have an agreement in place that outlines this developmental relationship. To date, the CDC has funded all projects specifically related to internal services and major road linkages.

Water and sanitation for the CDC and NMBM have been identified as areas of concern by the NMBM. Consequently, a plan was developed to identify the gap. Failure to address the gap will mean that the IDZ will not be able to develop further. It will cost approximately R4,3 billion to provide bulk water and sewer infrastructure. The breakdown is reflected below.

**TABLE 13: Coega Development: Project Costs for Bulk Water and Sewer Infrastructure**

Financial Year	Potable water	Industrial water	WWTW	Total	Esc. 10 % per year	Total
2012/2013	4,000,000	1,500,000	1,000,000	<b>6,500,000</b>	0	<b>6,500,000</b>
2013/2014	60,000,000	12,000,000	9,000,000	<b>81,000,000</b>	8,100,000	<b>89,100,000</b>
2014/2015	210,000,000	120,000,000	70,000,000	<b>400,000,000</b>	84,000,000	<b>484,000,000</b>
2015/2016	186,000,000	440,000,000	286,000,000	<b>912,000,000</b>	301,870,000	<b>1,213,870,000</b>
2016/2017	20,000,000	580,000,000	320,000,000	<b>920,000,000</b>	426,970,000	<b>1,346,970,000</b>
2017/2018	0	385,000,000	180,000,000	<b>565,000,000</b>	344,940,000	<b>909,940,000</b>
2018/2019	0	59,000,000	30,000,000	<b>89,000,000</b>	68,670,000	<b>157,670,000</b>
<b>Total</b>	<b>480,000,000</b>	<b>1,597,500,000</b>	<b>896,000,000</b>	<b>2,973,500,000</b>	<b>1,234,550,000</b>	<b>4,208,050,000</b>

Source: NMBM Infrastructure & Engineering: Water & Sanitation, 2009

To date, the NMBM has commenced with planning the following projects, which are critically required for the development of the Coega IDZ:

**(i) Nooitgedacht Low Level Scheme (NLLS):**

Contracts for the commencement of Phase 2 of the Scheme have been awarded and work is scheduled for completion by February 2017. Funding remains a constraint to commence with Phase 3 to complete the project.

**(ii) Coega Waste Water Treatment Works and Sea Outfall:**

Preliminary planning has commenced, but designs cannot proceed, because of funding constraints, given the size of the project.

**(iii) Coega Return Effluent Scheme:**

Due to the scale (finance) of the projects, the NMBM is unable to commence with detailed design. The NMBM has commenced with preliminary planning and as such an ROD has been issued for the system. With the cooperation of the Coega Development Corporation (CDC), detailed design has commenced and the Return Effluent Reservoir with the outlet pipe work at the Coega Kop site is being constructed with funding from the CDC.

The South African IDZ programme was first introduced a decade ago. The driver for the IDZ programme is the creation of industrial facilities for manufacturing and re-export, along with other objectives such as job creation and technology transfer.

More recently, Special Economic Zone (SEZ) legislation (2014) has been promulgated, with IDZ's being a type of SEZ. The primary goal of the SEZ's has become job creation with an emphasis on attracting local investments and ensuring the availability of incentives for both local and foreign investment.

As a result, the funding of IDZ's has been changed and direct funding (budget line) that was previously used has been replaced by a multi-channel proposal focused on the creation of new sources of funding and the introduction of tighter restrictions on the use of government funding. Another addition is the introduction of private sector funding and the refocusing of development finance institutions such as the Development Bank of South Africa (DBSA) to open credit (project by project) for SEZs. With the promulgation of the SEZ Act, SEZs are required to obtain funding for operational activities from shareholders.

The legislative and operational context of the Coega IDZ has thus been improved through the development of new financing mechanisms intended to expedite the process of securing additional investments for the Coega IDZ and the Nelson Mandela Metropolitan Municipality (NMBM).

The 2013/14 Financial Year was the final year of the current approved 5 year rolling strategy which commenced in the 2008/09 Financial Year. The implementation of that strategy resulted in a major shift in the CDC's core IDZ business; the CDC became a catalyst for socio-economic development throughout the Eastern Cape Province and beyond. The CDC had already been assisting the ECPG with the roll-out of projects and infrastructure for some years but this major shift in strategy was necessitated by the continued substantial reductions in grant funding from the Department of Trade and Industry (DTI).

The change in funding strategy required the CDC to aggressively develop the External Services business and undertake Province wide Infrastructure Implementation Programmes. The need to generate income to supplement the declining grant funding from the public fiscus became an imperative. The expanded External Services business has been driven by the creation of external Services' businesses and programmes which have been the main drivers in the generation of a consistent increase in revenue collection over the past five years, contributing 64% of the total CDC self-generated revenue. On average, this self-generated revenue has grown at a rate of 36% year-on-year over the past four years.

The table below shows some of the IDZ related Initiatives that are meant to re-orient the business model of the CDC.

**TABLE 14: IDZ Initiatives**

Name	Description
<b>Coega/Ngqura Manganese Ore Export Terminal</b>	The terminal compromises an exchange yard in Zone 11, a dual track to the stockpile area and a conveyor corridor to the export berths on the finger jetty of the Port of Ngqura.
<b>Rail Upgrade (Coega To Sishen)</b>	Has the same initial capacity as for the terminal and needs to be aligned with the terminal capacity and the provision of new locomotives and rolling stock by Transnet Freight Rail.
<b>CCGT Powerstation and LNG Terminal</b>	The CCGT Power Station and associated Liquid Natural Gas Supply.
<b>Nuclear Fuel Cycle</b>	Intended to benefit the country mineral resources and be fully dependent on the nuclear new build programme.
<b>Bulk Liquid Tank Farm</b>	A site has been allocated and the infrastructure and municipal services required to make the east bank of the Port of Ngqura operational are being provided by the CDC.

Name	Description
<b>Project Mthombo</b>	There is a business case for Project Mthombo and a more detailed review leading up to the decision to proceed with Front End Engineering and Design is being carried out. The detailed review is being completed during the course of 2015/16. The local stakeholder Interest Group comprising NMBM, NMMU, ECPG, CDC, NMBBC and organised labour continues to motivate for the project.
<b>Nooitgedacht Low level Scheme</b>	This potable water augmentation scheme for the NMBM is critical to the CDC for continuing to attract prospective investors.
<b>Fishwater Flats Waste Water Treatment Works (FWF WWTW)</b>	FWF WWTW is the main treatment plant for the NMBM and the Coega IDZ. Currently, the plant is overloaded and operationally out dated.
<b>Coega WWTW</b>	Project Mthombo and other projects, including the expansion of the Port of Ngqura onto the east bank of the Coega River together with additional sources of domestic effluent will necessitate the development of the planned Coega WWTW in Zone 9 of the IDZ. Studies to support the establishment of the Coega WWTW will continue during 2016/17.
<b>Return Effluent Scheme</b>	Return Effluent is a key enabler for the future of the Coega IDZ and NMBM. In a water scarce area, recycling of effluent to provide industrial process water is an essential requirement.
<b>Nuclear Power</b>	The CDC, NMBM and Province have supported the nuclear new build programme from its inception and the CDC has given significant support to the EIA and other processes associated with Nuclear 1 at Thyspunt.

Name	Description
<b>Maritime Opportunity</b>	The CDC has identified the Maritime Industry as a business opportunity that is untapped and thus has a potential as a reliable revenue generation opportunity.

The investment pipeline of the IDZ is focused on distinct sectors as identified within the NMBM approved Development Framework Plan for the Coega IDZ (2006).

Maritime and Port related logistics is a key focus area for the Coega IDZ. The development of Zone 1 will continue with the provision of services to the Port laydown area and sites to investors locating in the area.

Within the automotive cluster of Zone 2, the CDC is committed to the establishment and growth of a Multi Original Equipment Manufacturers Complex (Multi OEM) which will include a supplier park, e-coating plant, paint shop and vehicle distribution center. The associated operation of the automotive focused Nelson Mandela Bay Logistics Park in Uitenhage will continue.

Zone 3 will continue to be developed for general industry, significantly strengthened by the availability of industrial gases from investments made by Afrox and Air Products. The zone is home to a fast growing agro processing cluster.

The training cluster in Zone 4 will be the subject of further development, including the provision of opportunities relating to business process outsourcing, driver training and learnerships in the built environment.

Zone 5 is serviced and available for the establishment of metallurgical related investments. Master Planning for the area east of the Coega River has been completed and has focused on ensuring a planning framework with sufficient flexibility to accommodate a range of development scenarios geared to stimulate agglomerative economies.

The bulk of zones 6 and 11 is allocated to the Project Mthombo oil refinery and the establishment of a compilation yard to service the Coega Manganese terminal to be established in Zone 9.

Efforts to develop an Aquaculture cluster in Zone 10 will continue together with the alignment of the Coega Open Space Management Plan with the NMBM Bioregional Plan. The process of establishing a chemicals cluster within Zone 7 of the IDZ will continue.

Zones 12 and 14 are positioned to address the development of advanced manufacturing and an aeronautical cluster in keeping with the SDF framework for the City and the priorities and opportunities identified within the Coega East Masterplan.

The Table below identifies the budget for 2015/16 to service the development opportunities listed above.

**Table 15: IDZ Budget 2015/16**

Name	Details of Project/ Programme	Overall Budget Provision per project/programme (R million)	Area (Ward number/suburb/township in which project/ programme will be implemented)
<b>COEGA IDZ (2015 /16 Horizon)</b>	IDZ Water Supply: Return Effluent Scheme	50	Coega IDZ
	IDZ Water Supply: Potable Water - Nootgedacht	5	Coega IDZ
	Closed Cycle Gas Turbine (CCGT)	1	Coega IDZ
	Zone 1: Common Infrastructure, Fire Services, Laydown area	136	Coega IDZ
	Zone 2: Common Infrastructure, Multi tenant OEM, Automotive Supply Park	261	Coega IDZ
	Zone 3: Common Infrastructure, Water Ring supply	199	Coega IDZ
	Zone 4: Common infrastructure	110	Coega IDZ

Name	Details of Project/ Programme	Overall Budget Provision per project/programme (R million)	Area (Ward number/suburb/township in which project/ programme will be implemented)
<b>COEGA IDZ (2015 /16 Horizon)</b>	Zone 5: Common infrastructure, railway siding, return effluent	242	Coega IDZ
	Zone 6: Common infrastructure, bulk water supply and infill design	141	Coega IDZ
	Zone 11 and 13: Bulk electricity, bulk water, return effluent, stormwater and MR435 and Ring Road extensions	251	Coega IDZ
	Zone 7 and 10: Common infrastructure, industrial master planning, bulk electrical infrastructure, power station project infrastructure	121	Coega IDZ
	General common infrastructure for all zones	145	Coega IDZ
	Nelson Mandela Bay Logistics Park	121	Nelson Mandela Bay Logistics Park

## **7. INSTITUTIONAL ARRANGEMENTS AND OPERATING BUDGET**

### **7.1 CROSS-CUTTING INSTITUTIONAL ARRANGEMENTS**

The following institutional arrangements are in place for integrated planning:

#### **7.1.1 ESTABLISHMENT OF A SINGLE ORGANISATIONAL PLANNING PROCESS**

In terms of the adopted Strategic Development Review described in section 1 of this report the city must significantly strengthen strategic planning systems, to ensure they are consistent, mutually reinforcing and provide an effective guide to development. A lack of integration between major planning instruments, particularly with respect to human settlements, public transport and land use management makes a significantly negative contribution to the built environment outcomes experienced in the metro area.

In order to strengthen strategic planning the city has established a Strategic Planning and Coordination Unit in the Office of the Chief Operating Officer which *inter alia* will assist to:

- (i) exercise strong technical oversight of sectoral planning within a framework established by the Spatial Development Framework; and
- (ii) undertake extensive monitoring, evaluation and data analysis to drive empirically based policy formulation

This unit is presently understaffed and lacks capacity to be truly effective. This needs to be addressed in the forthcoming financial year.

### **7.1.2 ESTABLISHMENT OF A BEPP TEAM**

A multidisciplinary group has been formalised for producing and implementing the BEPP. This group meets regularly and is convened by the Strategic Planning and Co-ordination Unit of the Chief Operating Officer's Office.

The terms of reference of the BEPP team include the following:

- Finalisation of BEPP submissions to National Treasury
- Align the BEPP with the Budget and IDP.
- Refine the catalytic projects of the BEPP.
- Monitor and report on catalytic projects progress.
- Detailed design of the Urban Network Strategy/Precinct and Project Plans.
- Refine the Integration Zones
- Monitor and report on the Integration Zone planning and development
- Plan monitor and report on USDG.
- Plan monitor and report on ICDG.
- Finalise the BEPP indicators and reporting.
- Ensure the effective implementation and monitoring of the BEPP across all sectors in the institution.
- Prepare reports and presentations to fora of National and Provincial Government.
- Distribute BEPP, ICDG and USDG information back into respective directorates.

The BEPP is recognised as being not just a compliance document, and that it needs to be properly planned and implemented and its plans and commitments need to be fully integrated into the municipality's activities.

### 7.1.3 INTEGRATED DEVELOPMENT MATRIX

The Integrated Development Matrix has been developed as part of the Sustainable Community Planning Methodology to provide a framework for the implementation of the coordinated planning of the different activities of the Municipality, to ensure the creation of integrated and quality human settlements. The Integrated Development Matrix defines and facilitates cooperation and coordination between the municipal directorates themselves, as well as external actors in the planning and implementation processes, such as SOE's, banks, CBOs, NGOs and provincial and national government. It also defines roles that will allow citizens and businesses in the city to live and operate more sustainably.

**FIGURE 30: Integrated Development Matrix Framework**

INTEGRATED DEVELOPMENT MATRIX				
LEVEL / ACTIONS		STAKEHOLDERS		
PLAN	Integrated Development Plan			
	Spatial Development Framework			
	Sustainable Community Planning			
	Detailed Layout Planning			
BUILD	Decision to phase development	Responsibility of each stakeholder in respect of each level of the planning framework		
	Surveying			
	Engineering Services			
	House design/construction			
	Develop public areas/ facilities			
LIVE	Role of city dwellers- recycle, walk vs car, solar power etc. Role of business and commerce Schools and institutions- daily operations			

Source: NMBM SCU Planning Guide, 2007

#### **7.1.4 MULTI-DISCIPLINARY TECHNICAL TASK TEAM (MDTTT)**

A Multi-Disciplinary Technical Task Team comprising senior management representatives from all the directorates of the Metro has been in existence since 2007 as a platform for inter-departmental and inter-disciplinary interaction on technical matters of strategic importance to the Metro. The MDTTT, which has since 2014 been suspended, met on a monthly basis to discuss and consider matters of cross-sectoral relevance and has since its inception added enormous value to the notion of integrated planning and implementation in the Metro. The MDTTT had no decision-making authority, but served as a platform to consider and prepare technical recommendations to Council. The need for this or a similar multi-sectoral platform to be re-introduced is not only echoed from within the organisation but also by key external stakeholders.

This platform will be established in the Office of the COO as part of implementing the Strategic Development Review. It is anticipated that this will be in place by 2016/17 financial year.

#### **7.1.5 INTEGRATED HUMAN SETTLEMENTS DEVELOPMENT**

The Municipality follows an integrated approach towards all human settlements projects. This is achieved through the Integrated Development Matrix, as well as the Cluster approach, adopted by the Municipality as an integrated project mechanism.

Notwithstanding this one of the biggest challenges remains the integrated planning related to the Provincial competencies such as education, welfare and health. Failure to deal with this aspect will cause resistance in beneficiaries relocating to the subsidized housing areas as these do not have schools, clinics, libraries and police stations. These facilities/amenities are fundamental for proper life and without adequate provision further travelling costs are incurred by poor households.

### **7.1.6 EXTERNAL CAPACITY SUPPORT**

Internal capacity is supported through the sourcing of external contractors to deliver top structure services and install services. This approach places the Municipality in a position to deliver more services in housing than the current funding opportunities allow. The same approach is being used to implement all engineering projects. The NMBM is also benefitting from its Civil Engineering bursary scheme which is resulting in the creation of internal capacity to start taking over some of the engineering projects.

### **7.1.7 PROJECT TEAM APPROACH**

The creation of project teams, which include Infrastructure and Engineering, Human Settlements, Public Health and professional service providers, ensures a well co-ordinated and managed project.

### **7.1.8 MANAGEMENT INFORMATION SYSTEMS**

The NMBM Corporate GIS is currently implementing various management systems, which facilitate integrated processes in general, including those processes related to low income housing and project management. These systems are reflected below:

- Project ILIS (Integrated Land Information System)**

Project ILIS was intended to manage all processes relating to land, thereby keeping a record of all land transactions. These include subdivisions, consolidations, township establishment, rezonings, departures, special consent, sale of land, acquisition of land, lease of land, building plans, and site development plans. Project ILIS includes systems for the following:

- **Housing Delivery Management System (HDMS)**

As part of Project ILIS, an IT system is required to ensure that houses are constructed on the correct erven and that beneficiaries are correctly assigned to the identified properties.

- **Building Plans Management System**

The management of the building plan approval process is electronically done through the ILIS system.

- **Land Application Management System (LAMS)**

A critical component of Project ILIS relates to managing all applications submitted that relate to land. LAMS records details of the application and then tracks applications as they follow the route through the Municipality.

An absence of funding to allow the system to be institutionalised has delayed the implementation of the ILIS system. This needs to be addressed and resolved in the 2016/17 financial year.

## **7.2 CONSOLIDATED OPERATING BUDGET**

This section was unable to be completed for the preparation of the Draft BEPP.

There are two initiatives that presently will affect the operating budget necessary for proper institutionalisation of the BEPP and its activities.

These are:

- **Organisational Review.**

One of the CSIP projects includes an Organisational Review. The appointment has been made work will commence in November 2015 and is due for completion within early 2016.

The Organisational Review will consider the human resource capacity institutional needs to fully operationalise the BEPP and its associated activities.

- **Project prioritisation tool**

Through the CSP a project prioritisation tool was demonstrated in NMBM. Presently there is an absence of funding and organisational capacity to properly implement such a tool. This will be pursued in the 2016/17 financial year.

## **8. REPORTING AND EVALUATION**

### **8.1 OUTPUTS FROM PREVIOUS BEPP**

#### **8.1.1 URBAN SETTLEMENTS DEVELOPMENT GRANT AND HUMAN SETTLEMENTS DEVELOPMENT GRANT**

The Municipality has shifted its focus from simply providing shelter to establishing integrated sustainable human settlements and providing good quality housing. In the establishment of integrated human settlements in terms of the 2015/16 financial year priorities, the Municipality has prioritised the following outputs:

- Provision of 1 293 state subsidised housing units.
- Provision of permanent water and sanitation services to 3000 sites.
- Upgrading of 4 informal settlements to formal settlements.
- The surfacing of 10.5km of gravel road.
- Installation of 1km stormwater drainage.
- Relocation of 1200 households living in stressed informal settlements and other servitudes to Greenfield development areas.
- Rectification of 642 defective state subsidised houses.

#### **8.1.2 NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT**

R13,6 million is provided in 2016/17 financial year. This will be spent on two projects namely Fountain Road Youth and Advice Centre (R6 million) and the Motherwell Thusong Centre (R7,6 million). Both developments already exist and the funding will be spent on improving the amenities, security and appearance of the existing centres so that they are more user friendly for the public.

### **8.1.3 INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME**

Subject to Department of Energy grant funding approval, it is intended to create 3 860 electricity connections at a total value of R42 million in the 2016/17 financial year. Areas benefitting include Chatty, Motherwell, Khayamandi, Joe Slovo West, Silvertown, Red Location, Walmer and Ekuphumleni.

Electricity connections will greatly enhance the quality of life of beneficiaries.

The funding through the INEP grant is not adequate to address the approximately 22 000 illegal connections which service both formal and informal dwellings. An interim solution to safe reliable electricity supply is needed.. An amount or R150 million has been requested to take care of the first 12 000 such connections. These are in the areas of Vastrap, Chris Hani, Walmer, Despatch and Uitenhage.

## **8.2 THEORY OF CHANGE**

This section will be articulated in the final BEPP.

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